

JAMES G. KELLAR
 EDWARD J. LENTZ
 JOSEPH A. FITZPATRICK, JR.
 JOSEPH A. BUBBA
 TIMOTHY D. CHARLESWORTH
 DONNA M. MILLER
 DOUGLAS J. SMILLIE*
 EMIL W. KANTRA II
 MARK D. AURAND
 JOSEPH S. D'AMICO, JR.*
 MICHAEL R. NESFEDER
 CATHERINE E. NAUGHTON DURSO
 JANE P. LONG
 NANCY CONRAD*
 ERICH J. SCHOCK
 RONALD J. REYBITZ
 BRIAN E. O'NEILL
 ALBERTINA D. LOMBARDI*
 EDWARD J. ANDRES
 GEORGE R. BARRON

ATTORNEYS AT LAW
 4001 SCHOOLHOUSE LANE
 P.O. BOX 219
 CENTER VALLEY, PA 18034-0219

dsmillie@flblaw.com

TELEPHONE (610) 797-9000
 TELEFAX (610) 797-6663
 WEBSITE: www.flblaw.com

NEW JERSEY OFFICE:
 301 NORTH CHURCH STREET
 SUITE 220
 MOORESTOWN, NJ 08057
 TELEPHONE: (856) 727-9600

July 25, 2002

*Also admitted in New Jersey

Kevin T. Fogerty, Esquire
 Mill Run Office Center
 1275 Glenlivet Drive
 Suite 150
 Allentown, PA 18106

**RE: Safeco Insurance Company of America v.
 Joaquim DeMatos, Donna DeMatos and Maria DeMatos
 Civil Action No. 02-2899 (E.D. Pa.)**

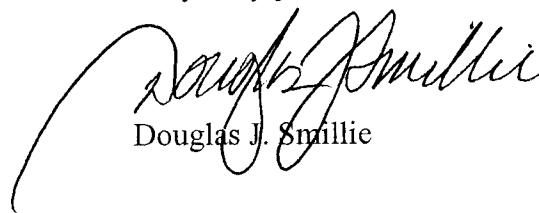
Dear Kevin:

As we discussed, I was on vacation during the week of July 8, 2002 when the Plaintiff's First Amended Complaint was received at my office. Therefore, I require a brief extension of time within which to file an Answer to the First Amended Complaint. I expect to be able to accomplish this by July 31, 2002 at the latest. If this presents any problems, please give me a call at your earliest convenience.

In addition, I have just forwarded your letter to my clients and will discuss with them Safeco's requests for financial information and the establishment of a "escrow" account. I am aware that the Court has recently entered an Order requiring that you and I conduct a conference, and hope that we can address the issues raised in your letter of July 8, 2002 at that time.

If you have any questions or comments in the interim, please let me know.

Very truly yours,



Douglas J. Smillie

DJS/kls

EXHIBIT A